Oil Field Environmental Incident Summary

Responsible Party: Baytex Energy

Well Operator: BAYTEX ENERGY USA LTD Well Name: KARLGAARD 22-15-160-98H 1PB

Field Name: SKABO Well File #: 22601

Date Incident: 8/24/2013 Time Incident: 3:00 Facility ID Number:

County: DIVIDE Twp: 160 Rng: 98 Sec: 22 Qtr: SW SE

Location Description: Not applicable

Submitted By: Randy Verret Received By:

Contact Person: Randy Verret

600 17TH ST STE 1600 SOUTH DENVER, CO 80202-5419

General Land Use: Well/Facility Site

Affected Medium: Well/Facility Soil

Distance Nearest Occupied Building:0.4 MilesDistance Nearest Water Well:0.4 Miles

Type of Incident: Stuffing Box Leak

Release Contained in Dike: Yes - On Constructed Well Site

Reported to NRC: Unknown

Spilled Market

	Spilled	Units	Recovered	Units	
Oil	3	barrels	2.5	barrels	
Brine	4	barrels	3.5	barrels	
Other	0	barrels	0	barrels	

Description of Other Released Contaminant:

Not Applicable

Inspected: Written Report Received: Clean Up Concluded:

Risk Evaluation:

Minimal

Areal Extent:

Not Applicable

Followup

Units

Potential Environmental Impacts:

Minimal-Spill limited to area around wellhead

Action Taken or Planned:

Truck driver spotted leak & notified Baytex personnel. Responded with roustabout crew & vacuum truck. Contaminated area covered with absorbent material to contain spill to immediate area around well. Currently reviewing stuffing box installation & maintenance procedures.

Wastes Disposal Location: Liquids sent to approved disposal & contaminated solids were picked up & trucked to approved landfill. Cleanup being completed at time of report.

Agencies Involved:

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Date: 8/27/2013 Status: Inspection Author: Miller, Adam

Updated Oil Volume:

Updated Salt Water Volume:

Updated Other Volume:

Updated Other Contaminant

Notes:

Oil/brine spray to the NNW of the well. There is a wetland northwest of the well about 100 yards but appears to be unaffected; vegetation next to water unaffected, no sheen on water.

Date: 8/27/2013 Status: Reviewed - Follow-up Required Author: Roberts, Kris

Updated Oil Volume:

Updated Salt Water Volume:

Updated Other Volume:

Updated Other Contaminant

Notes:

Report says release remained on location. However, as a stuffing box spray, we need to follow up and confirm that the release was confined to the well pad.

Date: 9/5/2013 Status: Inspection Author: Miller, Adam

Updated Oil Volume:

Updated Salt Water Volume:

Updated Other Volume:

Updated Other Contaminant

Notes:

Called Randy Verret today to discuss further cleanup. Left message.

Date: 9/11/2013 Status: Inspection Author: Miller, Adam

Updated Oil Volume:

Updated Salt Water Volume:

Updated Other Volume:

Updated Other Contaminant

Notes:

Spoke with Randy Verret today via telephone. Randy stated that they intended to leave the misted area alone as it was not a heavy contamination, and there was no crop planted in the field. I told Randy I would be more comfortable if the impacted area was tilled, but their plan would be acceptable if the landowner agreed to it. Randy stated he would provide documentation about the agreement with the landowner to me.

Date: 10/9/2013 Status: Inspection Author: Miller, Adam

Updated Oil Volume:

Updated Salt Water Volume:

Updated Other Volume:

Updated Other Contaminant

Notes:

I have traded a few emails (pictures) with Randy, and we came to the conclusion that his personnel did not see what I saw at the original inspection, and it has led to some confusion on both sides. Randy and I now agree that turning the soil in the field should prevent any runoff of the contaminants. Randy has stated they will collect soil samples and that analysis will be made available to us as it is completed.

Date: 12/17/2013 Status: Correspondence Author: Miller, Adam

Updated Oil Volume:

Updated Salt Water Volume:

Updated Other Volume:

Updated Other Contaminant

Notes:

I have received the soil analysis from Randy. I called Randy to discuss with him the high chloride levels found in two of the soil samples. Randy and I agree that, since the landowner is currently satisfied with the cleanup efforts, nothing more can be done at this time. Both parties are going to wait until spring to see if vegetation comes back in the sprayed area. Will set a reminder to visit location sometime in June 2014.